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Hungary EC1

[For the economic and political position of Hungary under Soviet control, see 85: Zinner, R1 Soviet Union, Category 116, Pp. 157B-163B.]

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Furthermore, the Hungarian people have no reason whatsoever for being friendly with their latest neighbors, the Russians. The Russians were instrumental in the defeat of the Magyar's War of Freedom in 1848, and Russian troops opposed the Hungarian soldiers in both world wars. One of the major setbacks of the Communist penetration into Hungary has been the latter's Muscovite orientation. Trends now toward a Hungarian "national Communism" are traceable in the public life of this nation.

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The present leaders of the country seem to aspire to the integration of Hungary into the Soviet orbit. Little if any deviation can be observed from the international Communist line and, in this regard, the aims and means of the Hungarian government differ little from the other so-called satellite countries. Their avowed aim is the realization of the ideal Communistic society, toward which the present regime, the People's Democracy, is but a step. This aim, of course, fits into the world revolutionary pattern propagated more or less openly by the Bolshevik regime in Russia, which is also often conceived as a simple "old-fashioned" Panslavic imperialism. The only perhaps debatable question in this respect is whether there are aspirations in Hungarian government circles toward an independent nation-

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al, perhaps Titoistic, type of Communism. When, during the Malenkov regime, Imre Nagy occupied the Hungarian Prime Minister's seat, his "new course" insisted upon applying the socialistic economic and political experiments to specific Hungarian conditions, and he went quite far in relaxing various restrictions and focusing the national economy on agriculture and light industry. This was a realistic but "un-Bolshevik" policy specifically suited to conditions prevailing in Hungary proper, and, as such, respected by the people, especially the peasants. Nagy's action was tantamount to national Communism, more so than in any satellite country except Yugoslavia. With the change of Malenkov's position, the Hungarian government went back "into line" early in 1955, with Red Army forces still occupying the vital centers of the country. It would be highly conjectural to state that it might have happened differently--that this "new course" initiated by Nagy could have remained viable--without the presence of Russian troops on Hungarian soil. At any rate, Hungary, under Nagy, has experienced a kind of Titoistic state, and this with the wholehearted assistance of younger generations of Communists; it remains to be seen how this policy gains foothold among future generations of Magyar Communist leaders.

banner of this revolution enlisted the unanimous support of the toiling masses, and it took a Holy Alliance to quash this uprising. The bloodshed, poverty, and chaos resulting from the First World War were responsible for the short-lived Communist revolution in Hungary in 1919. The counter-revolution which followed had little difficulty stopping the Red revolution, for despite the Communists' liberal promises, the peasant masses did not support them. 669 565

After World War II, the development of political life in Hungary was entirely dependent upon the occupying Red Army and its agents, the Communist Party of Hungary. The present opposition of the Magyars to this type of totalitarian state can be more than readily detected from the defensive actions of the government itself. At the head of the discontents, we now find the peasants again, for while the leadership of the historic revolutionary movements were recruited among the nobility, the core was made up of peasants fighting for the abolition of serfdom and, later, for economic independence. The recently developed stratum of intellectuals, commonly called the middle class in Hungary, played little or no role in these movements. 565 642

The former upper class and lesser gentry have been completely dispersed by the Communists, part of their members taking cover in the 565 661

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The recent (since 18 April 1955) Hegedüs government succeeding Nagy could not reverse the trend entirely. Although he is extremely severe in the enforcement of the decrees concerning crop collection and taxes in the villages, Hegedüs, unlike the pre-Nagy Communist governments, continues not to discriminate against the small- and medium- landholders.

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The majority of the heavy agricultural work is performed with teams of horses or cows, rarely oxen. The equipment used is up-to-date, although wooden implements were used as late as the end of the nineteenth century. A full mechanization of agriculture would call for more emphasis on this type of machinery than the present status of Hungarian industry permits. Nevertheless, there has been an impressive increase in agricultural machinery, although complaints about the poor quality of domestic machines are common.

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The number of agricultural machine stations and tractors in Hungary was:

	MTS	tractors
1950	361	6,681
1952	361	9,723
1954	364	11,298

The equipment of the average MTS is 36 tractors, 23 threshing machines, 6 harvesters, 4 traction engines, 2 combines and several smaller machines for specific purposes.

frontier drawn according to ethnical divisions. All along the north there is a long stretch of territory with a Magyar majority that has been assigned to Czechoslovakia; down most of the eastern frontier there is a similar stretch of territory assigned to Rumania; in the south large bodies of Magyars are now under Yugoslav rule, and finally in Central Transylvania . . . there are considerable enclaves of Magyar population under Rumanian rule. . . . It is inevitable that Hungary should look covetously across her restricted frontiers to the immediately contiguous territories in which Magyar populations predominate."

If you want to understand the present and see something of the future, we must make you acquainted with these facts. We have given you ample proof that we do not love our lords. *But in wanting to get back those parts of the country where nearly one-third of the total number of Magyars lived—in this we always were united.* Our lords wanted St. Stephen's Hungary. We wanted Hungarian Hungary. That was the difference.

And the Hungary of our lords went year after year to the "law-court of the democracies", the League of Nations, and presented her case, pointed to the injustice and asked for peaceful revision. But nothing happened. And when the same Rumania which had been given a far bigger territory by the Allies than that which was left for Hungary, when this well-rewarded Rumania turned against her former Allies, she wasn't considered such a "bad boy" by the Allied press as the Hungary of our lords, which went over to Hitler's side, certainly much against the will of her population.

Do not forget, please, that we are talking about the *countries of lords*. We are talking of the Hungarian nation (that is, the Hungarian ruling class) as compared with the Rumanian nation (that is, the Rumanian ruling class). We do not mean that the Rumanian people are bad or that they are responsible for the policy of their lords.

We like the Rumanians, and we know that they hate Nazi-Fascist oppression just as much as we do. But if you judge governments and *not peoples*, it seems to us unjust to think the Hungarian lords worse than the Rumanian lords, who treacherously turned against their former Allies and forced hundreds of thousands of good simple Rumanians to be slaughtered in fighting against the good simple Russians.

We do not want to say too much of the 1920–1939 period, the period of the Horthy–Bethlen régime. Hungary was "con-

solidated" during this period. There was law and order. The 642
foreign visitors who came to Budapest found a clean and beautiful city. The police were polite. The gentlemen who eagerly invited the foreigners to their homes spoke excellent English and French. They smoked English cigarettes and most of them wore suits made of English materials. It was a pleasure to hunt with them. An English lord no doubt felt quite at home in the spacious county residences of our lords. He never went behind the stables, where we lived. . . . How we lived, and still live, we gave you some idea in the first chapter of this book.

But life in Hungary was not exactly as charming and nice as the stray Britisher saw it.

Count Stephen Bethlen, the successor of the "black Count" Andrássy, who was for eleven years Prime Minister of the country, inaugurated the first fascist dictatorship in Europe, even before that of Mussolini. He did it very cleverly. He did not abolish the parliamentary system. He paid lip service to a "qualified de- [641]
mocracy", believing that we, the people, were not ready for political rights. Only 25% of the rural population had a right to vote. 1/1

Instead of describing the Bethlen election system in so many learned words, let us tell you how we saw it at that time.

Let's say that to-morrow is election day. Those fortunates 666
among us who have paid all their taxes, who can prove that in 1918–19 they did not take part in any political activities, who are more than twenty-six and who can prove that they went to school and have lived for six years in the same place—well, they have a right to vote. To-morrow they can go to the election committee and say openly, in the presence of the gendarmerie commandant, the district commissioner and the village mayor, that they vote against the government. For doing this one is usually punished. Next year you pay a higher tax, you will not be able to borrow the village threshing machine, and so on and so forth.

Still, several hundreds of us are determined to vote against the government.

The gendarmerie arranges special "traffic regulations" in the village. The pro-government voters must gather in Oxmarket square, the opposition voters in Haymarket square.

The voting begins. First the pro-government people are permitted to vote. Then the opposition. If there is a danger that the government candidate will not get enough votes, the gendarmes simply make new traffic regulations and close the way between Haymarket square and the election-building.

It is all quite simple.

How did the opposition nevertheless get some votes? Well,

1 [In the 1920-1939 period -- Analyst]

666 first of all there is a secret ballot in the cities. And then in some districts we are willing to risk a lot—we declare ourselves pro-government, and when we get to the committee we vote against the government.

642 In Austria, at the beginning of this period, the social democratics were in power. Many of the important Habsburg civil servants and army officers fled to Hungary, where the reactionary feudal régime gladly received them, paid them pensions and gave them important jobs.

The Horthy–Bethlen régime consisted of such people, of second and third generation Austrians (the descendants of the Metternich and Baron Bach Gestapo), of the landed aristocracy and the more backward elements of landless nobility, who always thought that the country ought to provide them with bread-and-butter jobs in the civil service.

798 The régime inaugurated systematic anti-Semitism. The Association of Awakening Magyars tortured Jews and conducted Streicher-
661 like propaganda against them. The Bethlen set passed the first anti-Jewish law in Europe after the last war, when it introduced the "numerus clausus", making it practically impossible for Jews to attend the universities.

The Jewish question is a rather delicate one. Let us quote one of Károlyi's former Ministers, the Jew Oscar Jászi, at present Professor of Oberlin College, U.S.A., who was and is a radical liberal and has lived in exile since 1919.

> "This anti-Semitism [that of the Horthy–Bethlen régime] is very characteristic, as it is the only serious, strong moral reaction of the régime. And even this anti-Semitism is faked, as they want to get rid, not of the big mistakes of Jewry, but of that Western culture and liberty which these illiterates associate with Jewry.
>
> "By the way, for this unlimited anti-Semitism Jewry itself and the whole of Hungarian liberalism is also responsible. During the last twenty-five years [Jászi wrote in 1920] the Jewish question has become *taboo* in Hungary. . . . It was forbidden to criticise or warn the Jews. Anybody who, for instance, stated that there were more Jews in the leading positions of intellectual life than their percentage and their intellectual and moral value could justify; anybody who cared to analyse those harmful qualities which were evolved among the Jews during centuries of ghetto life; who tried to hint that while hundreds of thousands of land-workers were emigrating the invasion of foreign profiteers represented a danger to the simple

114 † [the Horthy-Bethlen regime; 1920-1939 -- Analyst]

culture of the villages . . . such a man was attacked as an uncultured, rough, dangerous anti-Semite and life was soon made impossible for him."

The Horthy–Bethlen régime, writes Jászi,

"incited the mob to anti-Semitism, but at the same time the Jewish bank- and profiteer capital was growing freely, and the exploitation of the workers reached a record pitch. At the same time, this 'national and Christian' Hungary was again and again ready to serve Parisian Jewish finance."

Count Bethlen, the clever Count Bethlen, stopped open and official anti-Semitism. He stopped the White Terror of his friends. He did all this *after* the Allies gave political and financial support to the Horthy régime. He said that he could stop the White Terror only if the Allies helped the White Terrorists. And so the murderers of thousands of progressive people, labour leaders and Jews, were backed by American, British and French financiers in order to "consolidate" Hungary and establish a liberal parliamentary rule.

You saw what was meant by parliamentarianism during the Horthy–Bethlen régime. But we must tell you a bit more about Bethlen. In the country where 2,242 persons had more land than 4,000,000 of us, Count Bethlen said in Parliament in 1921:

"*In this State, where private property is sacred, to ask for land reform is like asking for my pants.*"

So much for Count Bethlen's democratic sentiments. In 1943 Bethlen sent envoys to neutral capitals, saying that he represented the only anti-Nazi force in Hungary. He wanted the Allies to set him up after the war as a great democratic politician.

In 1938 he wanted to prove to Hitler what a good pro-Nazi he was. He said:

"*Though the Hungarian Government (under Count Bethlen) was free to choose, it refused to join the Little Entente, thus rendering an invaluable service to Germany and making impossible the creation of a strong bloc antagonistic to Germany.*"

Well, this nice gentleman came to power by means of foreign loans, and fell from it when they stopped. But during the eleven years of his rule he laid the solid foundations of that policy which pushed the country of our lords into the war as accomplices of Hitler.

The democratic consolidation of the Bethlen régime was a very clever piece of work.

It was not anti-Semitic. The Jews were permitted to run

642 661 Hungarian industry and commerce provided they did not attempt to meddle in politics. In order to keep their financial power they were forced to give political backing to Count Bethlen's "Unity Party".

There was parliamentarianism. This meant that 90% of the deputies were created by the government.

665 642 Even a Social Democratic Party existed, but it was forced *to sell us out first.* This was perhaps the cleverest trick of the "black Count".

The Social Democratic leader was a former locksmith, Charles Peyer. Before the war he became secretary of the Trade Union Council. In 1919 he became Minister of Interior in a very short-lived government formed after the Communist collapse. Then he became Minister of Public Welfare in the reactionary government created with the help of the Allied representative, Sir George Clerk. In 1920 he was in Geneva at an international congress when he heard that Horthy and Bethlen had murdered the two other labour leaders, Somogyi and Bacsó. He did not dare to return, but a year later Bethlen invited him to come home. *He had an offer to make.*

665 642 423 Bethlen detested the idea of a land reform which would mean the abolition of the feudal system. But at the same time he had to prove to the outside world that his Hungary was "nice" and democratic. So he made his famous offer. The result *was an agreement by which the Social Democratic Party was allowed to exist, provided it undertook no activities among the four million landless agricultural labourers.*

This agreement was one of the chief tricks by which our lords, almost alone in Europe, have so long been able to postpone all questions of land reform. And it has very effectively removed any danger that we—the land-workers and industrial workers—might get some say in the affairs of the country and realise our aspirations for civilised existence.

And of course by permitting the Trade Unions and the Social Democratic Party *to exist but not to act,* Bethlen could say to the Western world that Hungary was a democracy.

The Trade Union officials and Social Democratic leaders were forbidden to give the lie to Bethlen's propaganda about his wonderful democratic consolidation. These leaders were happy to be alive and happy to keep "the progressive flame" flickering in the country of our lords.

This agreement was concluded in December 1921. Peyer and his friends of the labour leadership became somewhat unpopular with their own people.

665 They defended themselves by saying:

642 1. They concluded this agreement with Bethlen's Government. That government might go, and then labour would be
423 free to act.

2. This was a tactical step to save the existence of the Party and the Trade Unions.

3. Even during the period of voluntary passivity, industrial labour could go on organising and educating its own masses.

4. The land-workers were a backward, uneducated mass.

We do not want to pass judgment. We know that the peasants are a conservative lot. We know that the landless land-workers are often called peasants, thereby confusing the industrial workers, who dislike peasants. But the fact remains that the Bethlen–Peyer agreement was one of the most important pillars supporting the camouflaged dictatorship of Hungarian feudalism.

423 Our lords had other tricks up their sleeve. They even pretended
565 to carry out some land reform. This trick also worked. Horthy created a new Hungarian knighthood, the so-called "Order of Heroes". Officially all those Hungarians who had fought exceedingly well in the war of 1914–18 could become "heroes". In fact, all the White Terrorist boys were knighted, all the members of Horthy's White Army, all the friends and servants of our lords. About fifty thousand other ranks received some land which had been taken away from "traitors" like Count Károlyi and his friends. In this way Bethlen could say to the Allies that he was carrying out land reform, and he also had a trustworthy defence guard for his régime.

The gentry were an important pillar of the Horthy–Bethlen rule. *The gentry are usually landowners in theory but not in practice.*
565 They wear a signet ring with the family emblem on it, and have the manners and customs of a country squire, a lot of dissatisfaction, an empty pocket and a great craving for a rich, elegant life. They are—or pretend to be—members of a noble landowning family which lost its estates because of "them". "They" vary quite a lot. "They" are the Jews, "they" are the progressives, "they" are those red skunks who brought in a law forcing the nobility to pay taxes.

641 We have already mentioned that Hungary had a decentralised
1 administration and that the counties—"the noble counties"—had a lot of power. The gentry—the gentlemen—were the Civil Servants of the State or county. Trade or industry or any profession was naturally considered below the dignity of the gentry.

661 Hungary—even Trianon Hungary—is a good little country. She has rich fields, mines, rivers, forests, factories, and people who know how to work. She could provide a full and happy life for all her inhabitants. Hungary was financially under League of Nations guardianship. When Jeremiah Smith, a decent Boston lawyer, the League's commissioner general in Hungary, returned to America, he showed conclusively in his final report that Hungary's finances were in order. Count Bethlen and his friends wrecked them in five years.

At the beginning of Count Bethlen's rule we learnt a lot of new words. One was "consolidation", meaning that the White Terrorist gangsters and robbers became consolidated as our rulers. The other word was "*panama*". It is the Hungarian word for official racketeering and embezzling, taken from the Panama Canal scandals.

If an official steals public money, that is *panama*. If he gets a contract for his son-in-law, that is *panama*. If there is a government loan for small farmers and city gentry get it, that is *panama*.

Well, during Count Bethlen's rule we read about a new *panama* almost every month. Horthy and the "black Count" did not steal themselves—they only wanted power; but they let their friends and followers *panama* a lot. *During Bethlen's rule—according to Supreme Court verdicts—many millions were stolen in the Ministries of War, the Interior, Agriculture, Commerce, Public Welfare and Finance.* Cabinet Ministers, Under-Secretaries and departmental heads were accused, and many a time convicted, of accepting bribes, embezzling public money or profiting by dirty financial deals. The mayors of seventeen cities were convicted for the same reason.

This was the law and order the Allies helped to establish.

We are an outspoken lot, and we tell the truth even if it is unpleasant. So you can believe us when we say that *in this respect the lower-grade Civil Servants, police and gendarmerie were honest even during this period.* There was a saying that you could not bribe a small clerk or policeman, but you could bribe His Excellency the Cabinet Minister.

Anyhow, during Count Bethlen's Christian, national and democratic rule corruption and Fascism reigned and the way was paved for national catastrophe.

642 The Horthy–Bethlen set built up a very effective police force, gendarmerie and political police. Long before we heard of the word "Gestapo" we knew what was meant by it. Anyone attempting to work for progress came up against the Gestapo of our lords. Hungary was made safe for lords. The lords ruled through

642 the government and their police. Everything needed government permission. You could not make a speech, start a newspaper or even write an article without government approval. Newspapers and books were banned and confiscated. People were interned. Our leaders were shadowed and imprisoned on the least little suspicion.

The real opposition to Count Bethlen succeeded once or twice in putting in *their* new word—"counter-selection". By this they meant that Bethlen and his set selected "safe" persons for parliament, the press, the opposition, professions, universities . . . they made quite sure of not letting anybody into any key position who might be dangerous to their feudal rule or might give away the show of camouflaged dictatorship.

Well, this was what we meant when we said that the Horthy–Bethlen rule wrecked our future (and thereby incidentally helped to wreck Europe's future).

668 One of our leaders, Imre Kovács, wrote that our lords wanted to keep Hungary as a sort of National Park of Feudalism in the middle of Europe, very much like the American National Parks, which preserve conditions as they were long ago.

This National Park of Feudalism was the aim of our lords between the two wars. Of course, they talked a lot about having been defeated in 1918, but they went on managing their huge estates, driving about in their expensive cars, having a good time with their beautiful mistresses, while we had even less to eat and even more to oppress us than before. It was the same in Germany. The "Nazis" of 1914–18—that is, the Junker landlords, factory owners and generals—soon asserted *their* victory, though the German people were beaten. The lost war of their lords gave the very same lords a good excuse to defeat them.

In Hungary the victory of the lords became apparent earlier. Very soon after the revolution had been defeated Bethlen and Horthy completed the National Park of Feudalism with its lovely democratic camouflage. But within the National Park *we* did not stay unchanged. *Our lot grew worse, our understanding clearer.*

We learnt a great deal during the war and revolutions. We thought a great deal about our defeats. We began to discover that understanding the world was not a privilege of our lords, and that if we thought industriously, courageously and determinedly we might perhaps understand the world better than they did.

Land-workers started to organise. It was illegal to do so. We organised. People sent us books and helped to educate us clandestinely. This was illegal, too. The Socialists and industrial workers were forbidden to establish contact with us. Some did. Our land-

worker movement—deep under the ground of the feudal National Park—got a real start. We knew then, and we know still, that our war against the lords will be a long war with huge losses. But we started to prepare. Of course you do not expect us to mention names and facts about our movement. Armies at war do not give away their secrets.

But we started to organise on a grand scale. Thanks to the cold dictatorship and counter-selection of our lords, many persons from above joined us. We had our fifth column everywhere, from the aristocratic clubs and ministries down to the pubs where the village gentry met. So the Horthy–Bethlen Gestapo was not very effective against us.

When Count Bethlen resigned in 1931, because he could get no more foreign loans and because he had led the country into bankruptcy, we were hopeful. An insignificant old aristocrat was chosen as his successor in the aristocratic clubs where our premiers are made. We thought that our life would be easier, that our organisation would meet with fewer obstacles.

We were sadly mistaken. With Bethlen out of the way the petty accomplices of the White Terrorist lords soon came to power. The Horthy–Bethlen "counter-selection" worked well as far as the safety of feudalism was concerned. But the small gentry, and those lower middle class men who pretended to be gentry, wanted a larger share of the profit. Our counts are a pretty cynical lot, but at least they have some sense of humour and some taste. And anyhow they had quite as much wealth as they wanted. After the eleven years of cynically cold and well-camouflaged terror of the "black Count", their hungry henchmen, who had no taste and less humour, seized the direct power. Bethlen and his friends had to be satisfied with exercising ultimate control from behind the scenes, through Horthy. Of course they did not lift a finger to save us—the people—or their beloved "culture" from the brutally stupid "Gömbösists".

The outside world learnt in 1932 that a strong man had taken over rule in Hungary. He was General Gömbös, a Hungarian nobleman. Well, this Gömbös was not strong but mean and hysterical like his great master, Hitler. He was not Hungarian but German, his real name being Graner. His mother could not speak a word of Hungarian. He was not a nobleman, but only pretended to be one. He was not a general, but only a Captain of the Reserve who forced Horthy to promote him to the rank of general from that of captain.

Gömbös' rule was as full of obnoxious lies as his person. He was one of the fiercest White Terrorists at the beginning of the

Horthy rule. He and his friends placed time-bombs in democratic clubs, they robbed and beat up the Jews, wrecked the printing plants of democratic newspapers, burnt progressive books. They organised the concentration camps of the Horthy-Bethlen rule, into which thousands of us were herded a few days after the counter-revolutionary troops entered Hungary.

During the first few years of Bethlen's "consolidation" they were forced to disappear from the public scene. In the middle twenties they were slowly permitted to reappear as government-created yes-men deputies, as the mayors of unfortunate towns, as officials in various ministries. During the first two years of the thirties these people organised themselves and demanded power. They were dangerous to our big lords, and the times were dangerous also. Some say one of the reasons why Horthy and Bethlen and the inner circle of aristocrats, like Counts Sigray and Pallavicini, let the Gömbös gang win power was because they did not want to be directly responsible for the period to come.

Anyhow, Graner-Gömbös came to power and promptly announced that he was going to start a new and glorious millennium in Hungarian history. Next day the Budapest wits called him "Gömbölini" or "Adolf Graner". "Gömbösism" was a less effectively camouflaged and more stupid edition of the Horthy-Bethlen fascism. During the Gömbös era, to believe in progress, in good neighbourship, in science, was high treason to the "real Hungarian spirit" incarnate in Gömbös-Graner, the son of a Svabian market-woman. To build up the Gömbös version of true Hungarianism the political police was enlarged and the political side of the military police was reorganised and doubled.

These two police forces are the Hungarian Gestapo, directed by such true Hungarians as Herr Schweinitzer of the political police, and a lot of German generals of the General Staff. These two forces naturally fought us. You read too much about Gestapos, so we will not describe to you how these forces fought against us, how they beat up keen young students, writers, self-taught land-workers, how they tortured us, how they managed to send many of us into their prisons and concentration camps.

The glorious Gömbös era saw gendarmes destroying our villages, and almost illiterate Svabian petty criminals becoming "leaders of true Hungarian culture".

Gömbös made many trips to Berlin and Rome, with the approval of Horthy and Horthy's principal adviser, Count Bethlen. and the Hungarian people were robbed of all their rights and any possibility of halting their rulers on the road to war.

2:Paloczy-Horvath H- : (no date)1944 EC1 Hungary EC1

642 Gömbös died in 1936. The next premier, Darányi, went on with his work, and in 1938 a former friend of Gömbös, Béla Imrédy, came to power. In many things he is like Gömbös. He is a great Christian Hungarian nobleman, a member of the Heinrich family—three-quarters German and one-quarter Jewish. He introduced anti-Semitic laws into Hungary and tried to out-Nazi the Nazis. He was kicked out by our lords when he started to talk about land reform. They simply denounced him as being partly of Jewish origin. Imrédy then became one of the leaders of the Hungarian Nazis.

CHAPTER XIII

000 THE YEARS between the two wars changed us a lot. Bitter experience taught us to look at things as they are, and not as we would like them to be. We, the workers in the factories and on the land, joined by many writers, scientists, journalists and members of the professional classes, watched our rulers and the outside world. Our friends and leaders read, travelled and observed a lot. And they reported the truth to us—not like some diplomats, who report to their governments what the latter want to hear.

And the truth looked pretty black in 1938. It seemed that great countries like America, Great Britain and France did not want to fight *our enemies*. Our enemies nowadays go under the name of "Nazis", "fascists", "aggressors", "militarists". It also seemed that these Western Powers did not care a tinker's curse for the "small countries". Japan took Manchuria and the Great Powers looked passively on. Hitler took Germany. The German people tried by every means—smuggled letters, the books of exiled people, the witness of those who escaped from concentration camps—to inform the world that *peace would be Hitler's next victim.* They cried for help and pointed out that the rule of the Gestapo would make them entirely helpless, that if appeasement went on they would become utterly helpless tools of Hitler.

Hundreds of books and thousands of articles were written by Germans to convince the world that in a country ruled by efficient, ruthless and unscrupulous gangsters it would be impossible for the people to find a way to defend themselves; that such gangsterism might be thoroughly unpopular and universally hated, but at the same time perfectly secure.

And the Great Powers entered into diplomatic relations with Hitler.

2:Paloczy-Horvath H-3 (no date)1944 EC1 Hungary EC1

right or wrong, the people were both anti-Nazi and anti-German, which you can understand after reading our history.

"The people" is a rather ambiguous term in any language. First we must state what we do *not* mean by "the people". The number of lower-class State employees, railway workers, municipal servants, post and telegraph workers, office servants in ministries, public offices, banks, etc., is about one million (including their families). They are not "the people". They get a small fixed salary and they look forward to their State pensions. They are staunch supporters of the régime. They belong to the State in just the same way as the regular N.C.O.s, police and gendarmerie, professional army officers and middle-class Civil Servants. This second group, with their families and dependants, represent nearly another million. Well, these two million are not "the people"; they are blindly loyal to the régime, they read the government press and support the government. Of the six hundred thousand Germans living in Hungary in 1938, more than a third are included in this group. Most of the other four hundred thousand Germans are natural allies of this mass of two million reactionary, right-wing, anti-Semitic and pension-loving group. The Hungarian Nazis recruited their followers from this group.

When we speak of "the people", we mean the industrial and land-workers, the estate servants, the dwarf-holders who must hire themselves out, the small and independent artisans, the white-collar workers of finance, industry and commerce, and the professional classes. This group represents three-quarters of the Hungarian popuiation. Naturally you find some pro-Nazis in this group, just as you find even Communists in the "reactionary group".

The power belonged in 1938, as it belongs now, to the "régime". As post-1920 Hungary is certainly not a parliamentary democracy, as there has never been a chance, and is even less now, to turn out a government by parliamentary vote, ultimate power seems to be in the hands of Horthy. But this is not quite true. Ultimate power rests with the "régime"—that is, with the not quite harmonious combine or alliance of the following groups: the great landowners and aristocrats led by Count Bethlen, the former White Terrorist officers, the General Staff, the government party, and lastly the great industrialists led by the Jewish Chorin and Kornfeld. Most of the leading members of the General Staff are the sons or grandsons of the Austro-Habsburg civil and military service men who ruled Hungary after 1849. These General Staff officers of German origin became more Nazi than the Germans.

Even in 1932 Gömbös-Gömbölini started to ape Hitler and

2:Paloczy-Horvath H-3 (no date)1944 EC1 Hungary EC1

Mussolini. Since that time we have heard every month about a new would-be leader of the Hungarian Nazi-Fascist "masses". As the government press informed the two million people in the pay of the government that Horthy and Bethlen were really the first Fascists in Europe, as most of the government party deputies seemed to be pro-Nazi, as the professional army seemed to belong to the Extreme Right, these masses started to join the various Hungarian Nazi movements, in order not to be too late in climbing on the band-wagon. The early self-styled Nazi leaders were the Habsburg Archduke Albrecht, various members of the Festetich, Széchenyi and Pálffy families, the half-Armenian General Staff Major Szálasi, three generals and various members of the Szeged White Terrorists. All these would-be leaders were ambitious, and every military and political event of the period made them bolder.

Then the Horthy–Bethlen set grew afraid that these extremists might take the power away from them, and promptly adopted *their political line*. At that time their internal slogan was "We must take the wind out of their sails". So when the Extreme Right groups and the various Arrow Cross and Nazi parties demanded anti-Jewish legislation, closer collaboration with the Axis and more determined anti-democratic policy, the Horthy–Bethlen set passed anti-Jewish laws, started closer collaboration with Hitler and grew increasingly Fascist. In Hungary the Arrow Cross groups represented the Nazis, and the Horthy set the Papen–Hindenburg–Huggenberg group, but the Hungarian Nazis had no chance of starting their "revolution", for the Hungarian Papen (Bethlen) and the Hungarian Hindenburg (Horthy) swiftly and effectively out-Nazied the Nazis.

Now watch closely the next trick of our lords. They had to defend themselves against their Extreme Right opposition—that is, against the dissatisfied members of their own régime. At the same time they did not want to give all the power to Hitler. As the General Staff was flirting with the Extreme Right and there was a danger that they might stage a *coup d'état*, the Horthy–Bethlen set suddenly gave more freedom to the legally democratic opposition, and paid lip-service to parliamentarianism, constitutionalism, historic traditions and national independence. The Extreme Right attacked all these ideas, and the "leftish" opposition defended them. So the "leftish" opposition kept the balance for the Horthy–Bethlen set.

At the same time our lords said to the Germans: "You want food, industrial products, communications and soldiers from Hungary. Very well, you can have them *if there is law and order*

2:Paloczy-Horvath H-3 (no date)1944 EC1 Hungary EC1

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in the country. We can maintain order and give you everything you want if you allow us to keep up the pretence of parliamentarianism, a semi-free press, a little democratic propaganda and the existence of the 'leftish' opposition."

The Germans agreed. The Horthy–Bethlen set used its power to weaken the Extreme Right groups, which were constantly attacked by the democratic opposition. But this trick, and these tactics, helped the "left" to organise.

The liberal, democratic and social democratic left were conscious of their past mistakes. They had on their side a lot of intrigues, suicides, compromises, jealousies and muddles. During 1938 they thought that all was lost and the left would be wiped out. Then came the trick of the Horthy–Bethlen set. The left at first cautiously, later with determination, used the chance. Groups were organised to prepare for coalition. Various leftish centres of resistance were created under the camouflage of regional literary societies and cultural clubs. The writers became very active. In Hungarian politics the important things have been done chiefly by writers. The 1848 revolution was created, organised and led by the young and ardent poet Petõfi. When the great lords and their politicians betrayed the country by collaborating with the Habsburgs, the Turks, Metternich or Hitler, the writers became the politicians of Hungary. Now the various groups of writers and journalists representing the factory workers, land-workers, the people of Transylvania and the professional classes started to negotiate with each other to clear up differences and to present a common front to the outside world. Party politicians saw their chance, and climbed on the bandwagon of this new movement, which was sometimes called a democratic coalition, and sometimes the People's Front. University professors, newspaper owners and progressive counts joined in. This work was started in 1938. It took several years for the Horthy–Bethlen set to find out that they committed a mistake when they made these activities physically possible.

Let us recapitulate the situation in Hungary during the two years before the war. The régime has all the power, but some members and most of the masses of the régime are a bit more pro-Nazi than the government. So the government becomes outwardly more pro-Nazi, but permits the democratic opposition a little bit of freedom to keep the balance. But the pro-Nazi Extreme Right and the Arrow Cross can act and organise, while the democratic opposition can only vegetate. The leaders of the opposition are necessarily men of compromise, or *at least they have to pay lip-service to compromise*. In order to smuggle one single

668 642 democratic sentence into a speech or article, they must repeat a lot of Bethlenist and Horthyist phrases about Hungarian superiority over our neighbours, about thousand-year-old frontiers, about the horridness of internationalism. We do not accuse this or that democratic or Trade Union leader of bad faith. We simply say that, in the huge Potemkin village of camouflaged Fascism which was Hungary between the two wars, even the opposition was something of a Potemkin-village opposition: it unfortunately created the impression that it was a part of the show produced by our clever Count Bethlen.

So while the Extreme Right and the Arrow Cross could count on fanatical Jew-haters, office-seekers and ambitious would-be S.A. and S.S. leaders, while the government could rely upon safe Civil Servants, and while Hitler knew that our General Staff would be loyal to him whatever happened, we, the people, representing 75% of the population, were not fanatical followers of our so-called parliamentary representatives and leaders of the opposition. They smelt to us too much of the government, they had in their record too many tactical steps for the sake of compromise, to inspire fanaticism in us.

000 History frequently produces unjust situations. Many of these opposition politicians—we are quite sure—would have preferred to fight openly. But in the country of our lords this was impossible. So they thought that if they could not have a pure banner, at least they ought to have *some* banner. The chief thing was to have some sort of banner of progressive thought, liberalism or social democracy flying. *But tiny and somewhat soiled banners do not inspire men to great deeds.*

It is probably true that it was infinitely better to have some Trade Unions than no Trade Unions at all. It was better that some liberal ideas should be voiced. It is also probably true that the existence of these parties and movements educated a lot of people and a lot of us. But it is equally true that banners should be clean, that we trusted those young men who went to prison for their books, speeches and articles, who were tortured because of their secret organisations, whose periodicals were banned, who chose prison or exile instead of compromise.

Our real leaders, our friends and advisers, had a hard time getting in touch with us and organising us. Our organisations in 1939 were tiny compared to the huge police state of our lords, which had the backing of Hitler's Germany in case we revolted.

We talked of revolt a lot. Please imagine the small flat of one of "our writers". There are a number of us, young land-

3-Kemeny G-5 (1945-48)195 EC1 Hungary EC1

CHAPTER II

THE ANTECEDENTS OF PLANNING

THE ECONOMIC FRAMEWORK

668 THE shaping of the post-war policies of Hungary goes back to the time of German occupation. It was in the underground Resistance movement, where three parties co-operated, that the first outlines of a programme were drawn up. The co-operating parties were the Smallholders, the Social-Democrats, and the Communists. By the end of 1944, when the Germans had been expelled from the Eastern half of the country, the National Independence Front was set up, consisting of the three parties in the Resistance movement, the newly emerged National Peasant Party, the Democratic Party, and of representatives of the Free trade unions. The main lines of policy were laid down in a Programme of the National Independence Front issued in December 1944. This statement of policy expresses adherence to democratic principles, and affirms the reorientation of foreign policy. In the social and economic field the outstanding points were: land reform, public control over industrial monopolies, and prevention of unemployment. One clause of the Programme points, though cautiously, towards economic planning in claiming that reconstruction should be effected within the framework of a Government-sponsored plan.

●642 The National Independence Front formed the provisional Government in December 1944 and public administration was reorganized through the local branches of the Front. Following the general elections in November 1945 a coalition consisting of four parties, the Smallholders, the National Peasant Party, the Social-Democrats, and the Communists, was established. This coalition, surviving the elections of August 1947, was the basis of the successive Cabinets until the first quarter of 1948.

[423] 471 In accordance with the Programme of the National Independence Front, in agriculture the big and medium-sized estates were divided into small holdings, in industry such branches as were monopolistic in character were nationalized. Even at the time, when the whole range of light industries and engineering, except for two big concerns, wholesale trade, and naturally the retail trade and small-scale industry, were still left in the hands of private enterprise, State interference and State influence were far-reaching. Not only was the character of a war economy

3:Kemeny G-5 (1945-48)195 EC1 Hungary EC1

maintained, but, as a result of reparations, the Government continued to be the greatest customer of industry. Hungary's economy, moreover, was directly affected by the growing influence of the Soviet Union, whose claim to take possession of all former German property in the country had been recognized at Potsdam. Owing to the decision taken at Potsdam, and the extremely arbitrary interpretation of the agreement by the Russian occupation authorities, Moscow obtained a foothold in Hungarian banking, insurance, Danubian navigation, and coal mining, as well as in numerous engineering, chemical, and textile enterprises. Her influence was further strengthened by an agreement to set up joint Russian-Hungarian companies. This was signed early in 1946, and, when subsequently implemented, secured to the Soviet Union a practical monopoly of air and river traffic and of aluminium production.

Private enterprise was naturally confronted with fundamentally changed political conditions. Up to 1945 the semi-feudal structure of society, with the great landlords in control and with industrial and financial interests exercising a strong influence on the course of economic policy, had not entirely vanished, though since the thirties, this influence had been undermined by the growing pressure of the demagogic petty-bourgeois supporters of fascism. As from 1945, however, with the old landowner class disappearing as an economic and political factor, there was a complete shift of the centre of gravity in politics.

Although in 1946–7 indications were not lacking as to whither the road might lead, it did not yet seem definitely decided that everything having affinity with the Western pattern of life was to be suppressed in Hungary. The country was governed by a coalition based on democratic elections. Communist influence was, of course, stronger than was justified by the numerical importance of the party, for the party enjoyed the support of the occupying Power. At the outset, however, the Communists were not altogether uncooperative. Only in the spring of 1947, when the first so-called conspiracy was discovered, did they reveal what methods they were ready to employ to reduce the role of their partners within the coalition to a sham.

Once the agrarian reform of 1945 was adopted, the Communist leaders gave repeated assurances that the private ownership of land would thenceforth be respected. The peasants spared no effort to produce maximum results, despite conditions unfavourable for regular farmwork. The industrialists also appeared ready to play their part in reconstruction, and were

7: Jaszi S-4, 5 (no date) 1946 EC1 Hungary EC1

however, and to show the very great divergencies between the political and ideological situations of the countries in question. I must restrict myself mainly to Hungarian developments.

II

In order to understand the course of events in Hungary since the Russian conquest, we must recall in headline style certain important antecedents in the country's historical evolution.

Hungary never was in the orbit of the Greek Orthodox Church. Its religious horizon was strictly Roman Catholic, though later with a very decisive admixture of Protestantism, which fought for religious liberty and against the Hapsburgs. At the same time, the cultural and the ideological influence of Hungarian Jewry became an important factor. Hungarian constitutionalism, much as it was vaunted, was a typical feudal growth; it gave neither the masses nor the middle classes much of anything to say. Yet though the analogies often drawn between English and Hungarian parliamentarianism were part of a fallacious propaganda, it cannot be denied that the technical formalities of constitutionalism and the constitutional struggles within the ruling classes, especially between the feudal aristocracy and the middle class gentry, made a strong impression on the growing bourgeoisie and on a part of the peasantry which was anti-Hapsburg and believed ardently in the teachings of Louis Kossuth.

One must also emphasize that the best representatives of Hungarian thought and literature were penetrated by western liberal ideas, and that some of them became important exponents of western democratic values. The revolution of 1848, which became a legend before it had become a reality, consciously followed the great French models; and even earlier, at the end of the eighteenth century, the conspiracy of the Abbot Martinovics was impregnated by Jacobin traditions. And the last flowering of the liberal Hungarian spirit, the October revolution under the leadership of Károlyi, which occurred immediately after the collapse of the Hapsburg monarchy, produced the most comprehensive and enlightened program in the history of Hungarian democracy, including the dismemberment of the feudal estates, universal suffrage, and the solution of the nationality problem in the framework of a federal structure. The problems of this democracy were genuinely similar to the efforts of the most advanced groups of the west. For example, the Sociological

9: Eppstein S-4 (no date) 1945 EC1 Hungary EC1

CHAPTER V

POLITICAL AND RELIGIOUS INSTITUTIONS[1]

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The political structure and institutions of Hungary are in many respects very like those of Great Britain—a fact which Hungarians are rather fond of emphasizing. They like to recall that their Parliament is practically as old as ours, and that the 'Golden Bull', which thereafter formed the great charter of liberties of the nobles, is only a few years later than our own Magna Carta. The Parliament buildings in Budapest were built in conscious imitation of those in Westminster, and like them, stand on the river bank.

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There are, of course, many differences also, both in the institutions themselves and still more, in the spirit in which they are worked. It must never be forgotten that a large part of Hungary was for 200 years under Turkish rule, which meant that it was simply reduced to a desert. During this time, most of the rest of the country, and the whole of it for another 200 years afterwards, was ruled by the Austrian Emperors, who were foreigners and often at loggerheads with the Magyars. The country has also had to suffer many wars and invasions, which prevented conditions from becoming settled or trade and industry from developing. The great Industrial Revolution, which

[1] As they existed up to the time when the tide of war swept over Hungary in 1944.

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178 altered the whole face of England, never came to Hungary at all until quite recently, and then it was on a much smaller scale than ours, since Hungary had neither the coalfields nor the shipping on which the English factories flourished. Thus Hungary is in many respects much more like England as it was a century or 150 years ago than England as it is to-day. It has, indeed, been changing very fast in the last generation, especially during the present war, but the very rapidity of the changes has left it with many very difficult and unsolved social problems.

642 **CONSTITUTIONAL MONARCHY.** Hungary is a constitutional monarchy, which in normal times possesses a king, a parliament and an extensive system of local government. The Crown is, as it were, in suspense at the present moment.

643 The last King of Hungary, Charles V, who was crowned in 1916, left the country in 1918 and, after two unsuccessful attempts to return to it, died in 1922. His eldest son, Otto, never entered Hungary. Hungarian constitutional tradition does not recognize the king as in full possession of his rights until the venerated Holy Crown has been placed on his brow. Moreover, the confused happenings which followed the last war enabled a party in the country to argue that the old agreement, under which the succession to the Crown belonged to the Habsburg family, had lapsed. Finally, both the Allied and Associated Powers and Hungary's neighbours insisted that they could not allow a Habsburg on the throne. Pending a settlement of the question, Admiral Horthy was elected Regent

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563 186 Many have climbed to the top in politics, in the government offices, in the Church, and above all, in the army, which, so long as Hungary belonged to the Austro-Hungarian Empire (in which the army was a central service under the direct command of the King-Emperor) was a career which Magyars tended to avoid as 'un-national'. In recent years the influence of the high army officers has been important, and Hungary's policy has been very strongly influenced by the fact that so many of them were of German blood.

648 186 **FEAR OF THE SLAVS AND OF BOLSHEVISM.** The people of German origin are not, of course, the only pro-Germans in Hungary. Many others, especially in the middle classes, have been infected by the same ideas, particularly by the anti-Semitism, and by admiration of the German army and belief, spread by clever German propaganda, in its invincibility. To this has been added, both in 1914 and above all, since Hitler attacked Russia in 1941, the Russian factor. The Magyars, in their lonely position encompassed north and south by Slavs, and with the huge Slav masses of Russia just across their frontiers, have always been terrified of the Slav danger.

648 • 642 Moreover, in 1918 and 1919 there occurred events which have left a deep mark on all subsequent Hungarian history. When the war was drawing to a close and the imminent defeat of the Central Powers was apparent, the old regime gave way and was replaced by a new government of the Left, friendly to the Entente, under Count M. Károlyi. This government proclaimed the separa-

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tion of Hungary from Austria and subsequently proclaimed Hungary a Republic. Károlyi attempted to carry through social and democratic reforms, but the situation was too much for him. Rumanians, Czechs and Serbs were pushing into the areas claimed by them, economic distress was extreme and radical agitation grew. Eventually, in March 1919, Károlyi was supplanted by a Communist Government, in which the ruling spirit was Béla Kún, who also failed either to rally the country behind him or to stop the advancing armies of Hungary's neighbours. In the summer of 1919, Rumanian troops actually occupied Budapest—leaving behind them, when at last they were induced to retire, many bitter memories.

A 'White' Government had meanwhile been organizing outside the reach of the 'Red' regime. Their representatives now entered Hungary and established themselves as the legal Government. Before conditions had settled down they had carried through against their predecessors a 'White terror', which has never been forgiven them.

The men of this regime were by their own confession, and indeed, by their own boast, essentially 'counter-revolutionaries'. They ascribed to 'Bolshevism' every imaginable horror, and thus looked on Russia, as the seat of the Third International, with a double fear and loathing. Thus Hitler's denunciations of Bolshevism found a ready hearing among the ruling classes in Hungary, and they carried their country into war in 1941 cheerfully enough, under the impression that the victorious German army was not only going to destroy the Slav danger, but also to 'exterminate Bolshevism'

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the capital was cleared of its defenders, what had been the pride of generations of Hungarians, was a mere smoking heap of ruins. Of all the capitals of the belligerents, on either side, not one, except only Warsaw, has suffered so dreadfully as Budapest.

THE PROVISIONAL GOVERNMENT. But the last act of this tragedy was not altogether without hope. Even while Budapest was undergoing its death-agony, news came from Debreczen—the historic city of Eastern Hungary in which Kossuth had proclaimed the separation of Hungary from Austria in 1849—that a new Provisional National Assembly, elected by local Resistance Councils and the liberated towns and villages, had met and had appointed a Provisional Government. The most prominent figures in it were high serving officers, two of whom had crossed over to the Russians in obedience to the Regent's proclamation of 15 October 1944, while the third had headed the armistice delegation to which the proclamation referred. The other members of the Government were drawn chiefly from the democratic and pro-Allied parties, which under the recent regime had been working underground, preparing for such a day as this. There were Smallholders, Social Democrats, Communists and some progressive non-Party men, including the son of Paul Teleki, who had committed suicide in 1941 in the hope of saving his country.[1]

[1] The reported composition of the Government, which certainly seemed representative enough, was as follows: *Prime Minister*, Gen. Bela Miklós de Dálnok (a Transylvanian Szekler not hitherto known in politics); *Under-*

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The Government announced a programme of democratic and social reform, the restoration of the old liberties suppressed by the previous tyrannies, the repeal of anti-Jewish laws and the introduction of a radical land reform and of other urgent social measures.

At the same time, they accepted the consequences of defeat. War was declared on Germany. A new delegation went to Moscow and received from the Allies armistice terms which pledged Hungary to renunciation of whatever temporary gains of territory she had made at the expense of the United Nations, and to reparation for the losses which her policy had inflicted on them. A new army was to help Hungary to 'work her way home' by joining in the common fight against the remaining enemy.

CONCLUSION

The Provisional Hungarian Government promised to make a new start. It broke with Germany and with the policy of aggression. It promised to seek a peaceful and friendly relationship with the

Sec. of State, Rev. Istvan Balogh*; *Foreign Affairs*, János Gyöngyössy* (Smallholders' Party); *Interior*, Francis Erdei (National Peasants' Party); *Justice*, Agoston Valentini (Social Democrat); *Finance*, I. Vásaly (Smallholder); *War*, General János Vörös* (former Chief of Staff; commanded troops in Russia); *Supply*, Gen. Gabriel Faragó; *Industry*, Dr Takats (Social Democrat); *Trade*, Dr Joseph Gabór (Communist); *Social Services*, Dr Erik Molnár (Social Democrat); *Education*, Count Géza Teleki (Conservative); *Agriculture*, Imre Nagy (Communist).

* The three members of the second Armistice Delegation to Moscow.

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U.S.S.R. and with the other United Nations, and with Hungary's neighbours. Its Premier, General Miklós, denounced the German influences which led Hungary into so many fatal adventures, and his colleagues promised social reforms which, if they could be carried through, would alter radically the whole structure of the country and make possible for it a new life. If the land of Hungary were fairly distributed among its people, so as to create a peasant class such as exists elsewhere in South-Eastern Europe; if the workers could become strong, free and independent; if political institutions could be made free and democratic, then it would no longer be possible to look on Hungary as a foreign body in Europe ruled by a caste whose mentality, social and political outlooks and ambitions disturbed the peace of South-Eastern Europe and proved a formidable obstacle to its solidarity.

The new Government was formed under Soviet auspices and welcomed by Moscow and in other quarters. But Hungary's troubles are, of course, not yet over. She has many very heavy trials ahead of her, both political and economic.

Right up to the summer of 1944, both the country and the people of Hungary had suffered, physically, less than most European states. The Hungarian Army had done comparatively little fighting and its losses had been correspondingly small. It had suffered one great disaster, at Voronezh, but after that Kállay had insisted on limiting further Hungarian military operations in Russia to the minimum. Budapest was hardly bombed before the spring of 1944, when the Allies

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Not only was the Hungarian military effort relatively unenthusiastic, so too was the Hungarian adoption of Nazi domestic policies. There was probably more freedom in Hungary during the first years of the war than in any other portion of the Axis territories except Finland. The relative mildness of the Hungarian regime may be seen in the character of its persecution of the Jews. Stringent anti-Jewish laws were enacted in 1938. They were, however, mild compared to those of the Nazis, and there was no systematic extermination until March 1944, when German troops occupied Hungary. A good many army officers with some Jewish blood or with Jewish wives were retired in 1941 or even before, but some few were protected and remained until 1944. While Jews were not inducted into the ordinary units of the armed forces, during the War, neither were they put into concentration camps or gas chambers. They were mobilized into a Jewish Labor Battalion which was sent to the Eastern Front and was there overrun by the Russians, who took its personnel prisoner. *

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The relative mildness of the Hungarian regime gave way in 1943 to a brutal fascist dictatorship, when the Sztójay-Imredy government was formed, and even more after the Germans occupied Hungary. The Regent Horthy opposed these developments. When German fortunes in the war declined, he dismissed the Sztójay-Imredy government and tried to duplicate the feat of King Michael by announcing that Hungary was withdrawing from the war against Russia. His attempted coup in October 1944 failed, however, and the Germans put Szalasi in for a few bitter months of totalitarian rule.

The desperate measures of Szalasi and the Nazis were obviously futile by this time, and some leading Hungarian officers went over to the Russians. In October of 1944, Colonel General Bela Miklos, who had been Commander of the First Army, was sent to negotiate an armistice and came to terms with the Russians. Colonel General Janos Vörös and Lieutenant General Gabor Faragho also went over. These generals in Debrecen formed a Russian-sponsored provisional government, in which Miklos was Prime Minister, Vörös Minister of Defense, and Faragho Minister of Supply. While the bulk of the Hungarian officer corps did not follow Miklos but continued to fight, the new government was able to return to Budapest in April of 1945 on the heels of Russian advances.

The Miklos government lasted thirteen months. It and the generals associated with it were used by the Soviets during the critical transition period. In November 1945 it was replaced and its members were all soon arrested. Vörös, the Minister of Defense, was seized in January of 1946 and was liquidated. Miklos died naturally in 1952.

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Miklos, Vörös, and Faragho had all been prominent officers in the pre-Soviet Hungarian Army. Faragho had been military attaché in Moscow in 1940 and a member of the peace mission to Moscow

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sent by Horthy in 1944, which experience, however, did not save him in the end. The Soviets were willing to work with such a man as long as expediency demanded, but not permanently. Against these favorable facts from the Russian viewpoint was the fact that he had been Chief Inspector of the Gendarmerie in 1943. It may be noted that in prewar Hungary the gendarmérie and state police, which in peace time were under the Ministry of Interior, in war time were incorporated into the army directly under the Chief of Staff. Miklos had been first aide-de-camp to Horthy and was therefore, in the long run, not acceptable to the Communists. Vörös, who had been Chief of the General Staff in 1944, had in that capacity accompanied Horthy on a visit to Hitler. The services which these men performed for the Russians at the end of the war exempted them from immediate removal and in some cases, such as that of Miklos, from execution. But they did not, in the long run, exempt them from removal.

One reason why the officers who went over to the Russians at the end of the war were purged so quickly— more quickly than in Romania— is that they were of relatively upper class origins. One of the factors determining an officer's attitude toward the German occupation, Nazism, and the Szalasi Fascist movement was class origins. It is not accidental that those generals who in the great crisis remained loyal to the Regent and directly or indirectly took part in the frustrated armistice attempt were perhaps without exception members of Magyar gentry families. They included such generals as Lajos Veress, Bela Miklos, Istvan Naday, Gabor Faragho, Geza Lakatos, Szilard Bakay, and others. None of them came from the lower-middle classes. Descendants of the lower-middle classes were more inclined to follow a new star, such as that of the demagogue Szalasi and later the Communists, while the gentry in its nationalistic conservatism was opposed to parvenus such as Hitler or Szalasi. Because of their high status and conservatism the generals who rejected Nazism and stood close to Horthy, backing his attempt to end the war, were for the long haul quite unacceptable to the Russians, despite the fact that they had brought Hungary over to the Russian side. No ideological dogmatism prevented the Russians from using them when they needed them. But as men of unacceptable views and a strong independent social standing they did not fit the long-run requirements of the Stalinist system of organizing power, which is based on total control from the center and the elimination of autonomous elites.

B. The Period of Communist Infiltration

As in all the satellite countries, the period between 1945 and 1947 was one of uneasy coalition between the Communists and non-Communist parties. As in each of the satellite countries, the titular heads of the government were leaders of non-Communist parties who fought

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a rearguard action against both the Russian occupation authorities and the Communist party in order to save their country from total dictatorship. The Communists, however, were step-by-step building up bases of action, finding sources of support, and infiltrating key positions in the country.

In Hungary the major party was the Small Holders party. From November 1945, when the Miklos provisional government came to an end, to December 1948, when a clearly Communist government took over, there were a series of governments headed by members of the Small Holders party. The prime ministers were, in sequence, Zolt'an Tildy, Ferenc Nagy, and Lajos Dinnyés. At the same time there was a series of Ministers of National Defense, who were also until September 9, 1948, members of other parties than the Communist. Some of these were high-ranking generals, some were not. As our previous case studies reveal, the Minister of National Defense in the Communist satellite countries (and in those countries also before the Communists took over) was normally a general. There was not the sharp distinction between civil and military authority which is common in some Western countries. It is as unusual in East Europe for the Minister of National Defense not to be the top-ranking general as it is unusual here for him to be so.

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In Hungary, however, that was not the situation. Until September 1948 the Ministers of National Defense, though officers, were chosen in terms of civilian politics as much as for military considerations. The list of Ministers of Defense includes, in sequence: Janos Vörös, Jenö Tombor, Albert Bartha, Lajos Dinnyés, Peter Veres, Mihaly Farkas, and Istvan Bata. Until Veres they were all Small Holders party members. Veres was a member of the National Peasant party and a more pliable tool of the Communists. Farkas was a Communist leader and Bata a Soviet officer. Of these Ministers we have already met Colonel General Janos Vörös, one of the three leading officers in the Miklos group which went over to the Russians at the end of the war. Albert Bartha was also a leading officer who just before his appointment had been one of the three commissioners responsible for selecting officers for discharge as the Hungarian Army was cut to treaty size. On this commission he represented the non-Communist point of view but was consistently outvoted two-to-one in trying to retain career officers and keep out Communists. Bartha had been a Social Democrat in 1918 and rejoined them in 1945. Ferenc Nagy gives an interesting picture of the procedure by which Bartha was chosen Minister. He writes in his memoirs:

> "I still had to appoint a new man as Minister of Education and another in the place of Eugene Tombor, Minister of Defense, who had died . . . My nominee for the defense post was John Eröss, until now

THE OIL INDUSTRY IN THE HUNGARIAN ECONOMY

727 433 [434] only 186 were working at over 70 percent of prewar capacity, while 1,109, or over 25 percent, were completely out of operation. It is estimated that even in 1946/47 the national income was only 65 percent that of 1938 and less than 50 percent that of 1943, the peak war year. The Hungarian economy as a whole, and especially the industrial sector, heavily concentrated in Budapest, was among those most seriously damaged in Europe.

[458] The Soviet occupation, heavy reparations payments, general political uncertainty, and a runaway inflation in 1946 made the task of reconstruction even more difficult.

728 471 648 According to the Potsdam agreement all Axis property, even that which had been forcibly taken over by the Germans during the war was handed over to the Soviet Union. Subsequently, new Soviet-Hungarian companies began to mushroom in manufacturing as well as in transportation, and it was at this time that the Hungarian-Soviet Oil Company, Maszovol, was organized.

727 315 [471] While the Zala fields had escaped major war damage they suffered by the wasteful practices engaged in under pressure from German and later Soviet military authorities (see Table VII).[1] After prolonged negotiations the MAORT properties (all areas west of the Danube) were returned to the American owners in 1946.

727 178 471 A land reform and the nationalization of industries "with monopolistic character" such as steel and coal were swiftly carried out after the war.

[565] Land reform, nationalization without compensation, and the inflation of 1946 largely destroyed the propertied classes, and in the chaotic conditions a downward leveling also affected the skilled workers.

●[642] 727 185 [665] By mid-1947 the communists within the coalition government had virtually eliminated any possibility for non-communist government plans, and for all practical economic purposes the communists were in control. Dictated by the realities of the prevailing postwar conditions, certain

[1] [Cf. page 88, category 116 -- Analyst]

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Postwar Hungary

By Andrew Gyorgy

727 Since the end of military operations Danubian Europe has been undergoing a social and political upheaval in which, paradoxically, both Communism and a resurgent nationalism seem to be powerful elements. The most significant contributing factor in this atmosphere of political unrest is the all-too-direct domination of the Soviet Union whose policies are guided by conflicting motivations and divergent objectives, results of the flexible strategic and economic considerations of the Kremlin.[1]

727 Hungary today is in a more precarious position than any of her Danubian neighbors. Hungarians have not fought heroically for liberation as have the Yugoslavs, nor do they enjoy the political prestige Czechoslovakia accumulated through the democratic experience of twenty years. Hungary has no oil, no significant trade-routes, no vital strategic lines of communication as do Rumania and Bulgaria, no well-defined political boundaries which also afford strategic defense, as in the case of Turkey. In view of all these strikingly unfavorable facts and developments, Hungary's present-day hopes and future aspirations are of necessity aimed toward "a well consolidated domestic policy motivated and vitalized by the momentum of radical reform policies."[2] It is 121 the purpose of this article to show the steps taken in the political reconstruction of post-World War II Hungary as well as the forces working against it.

642 On February 1, 1946, an official proclamation by the first democratically elected National Assembly unanimously terminated the 945 [646] year-old Hungarian monarchy and declared Hungary a republic. With the simultaneous emergence of a fairly representative and ideologically

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* This article, completed before the Communist putsch of late May, 1947, remains timely as a description of the methods used by a Communist minority to seize power. —THE EDITORS.

1 Soviet policies in Danubian Europe center around three major objectives: 1) to prevent the use of Danubian states as bases for future aggression against Soviet territory; 2) to achieve farreaching social reforms in most of these countries; and 3) to compensate the Soviet people at the expense of the vanquished, who will be forced to contribute heavily to the economic reconstruction of the Soviet Union. Cf. "The Danubian States, Soviet Aims in South-East Europe," *The Times*, London, Nov. 11, 1946, pp. 5 ff.

2 Cf. István Bibó, "A Magyar Demokrácia Válsága, (The Crisis of Hungarian Democracy)" in *Valóság*, October-December, 1945, p. 39.

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642 broadminded government the varied and checkered cycle of Hungarian constitutional development seemed to have entered a new phase. In the brief span of twenty-eight years this country has passively witnessed five basically different phases of political evolution; from monarchy to republic (1918-1919), from a liberal republican form to violent Communism (1919), then to varying forms of personal dictatorship (1920-1944), and finally a sudden return to at least a temporarily republican type of government (1944-1946). The interregnum between the two rather tentative and superficial experiments in republicanism and democracy brought nothing to Hungary but military defeats, political immorality and a thoroughly bankrupt economy.

The exercise of royal power actually ceased on November 13, 1918 when King Charles IV of the Hapsburg dynasty resigned. In the ensuing constitutional and political vacuum a republican regime was formed under the leadership of Count Michael Karolyi, a well-known Hungarian liberal. This short lived republican government voluntarily 642 yielded within a few months to a ruthless and extreme Communist dictatorship under Moscow-trained Béla Kun.

After the collapse of this disastrous revolution[3] Nicholas Horthy, a former admiral of the Austro-Hungarian navy, succeeded in establishing a reactionary and semi-parliamentarian system of government. Although Horthy's regime excelled at the beginning in the misuse of constitutional formalities, certain attempts at internal political normalization were accomplished under the ten year tenure of Prime Minister Count Stephen Bethlen. On the other hand Bethlen's immediate successors, particularly General Julius Gömbös, inescapably brought about a regression to Hungary's antiquated, pre-World War I system of political and social feudalism. Reaping the full harvest of Hungary's revisionist aspirations, these regimes also helped to pave the way toward a thorough-going German orientation of the country, toward an uninhibited economic and political cooperation with National Socialist Germany, and a close military alliance with other members of the European Axis. The reactionary, Axis-allied regency of Horthy collapsed in the autumn of 1944 when following his sudden request of an armistice with the Red Army, the admiral reigned and was forced by the Gestapo to leave the country.

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3 According to Oscar Jászi's brilliant description, Béla Kun's "Communistic revolution followed a pure Russian world-revolutionary model, with chaotic experiments in socialization, dreams of the *sovkhozes*, and occasional hysterical outbursts of terrorism. It was short-lived, but it made a deep impression on Hungary's conservative soul." "The Choices in Hungary," *Foreign Affairs*, April, 1946, p. 456.

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With the liberation of Hungary came the task of restoring the equilibrium of constitutional life and of basic political institutions. Budapest was still under siege when a new provisional government in Debrecen set about reconstructing the country's political life. In December, 1944, elections for a Provisional National Assembly were held in the liberated territories with decidedly favorable results for the Smallholders and Social Democrats. The new National Assembly swiftly confirmed a Provisional Government which succeeded in keeping itself in political power for about a year, thus bridging the constitutional gap created by the utter political confusion of the first few "post-liberation" months.[4]

In 1945 a new electoral law prepared the way for a decisive national election. The new law assured the right of vote to every Hungarian citizen over the age of twenty, regardless of education, religion, sex or social standing. The first election after the liberation of the country was held under the new electoral law and generally conformed with the recent democratic orientation in offering not only a wide franchise but also a choice among six political parties ranging from Conservative to the ubiquitous Communists. The most significant constitutional step in the establishment of a democracy was undoubtedly the inauguration of a Hungarian Republic.[5] The new Law, No. I-1946, on "Hungary's Form of Government" gives an interesting and forceful background-picture of the new Republic. According to the preamble the power of the State rests with the Hungarian people who exercise their legislative authority through the democratically elected National Assembly. The basic document also states that "the republic guarantees to its citizens the natural and inalienable rights of men." On paper this law unde-

4 This provisional government represented all the parties which had taken part in the national resistance movement up to the time of the collapse of the country after a period of German occupation. A detailed party-breakdown of this provisional government headed by General Béla Miklós of the Hungarian Army, shows the following picture among the members of the Cabinet: 3 Social Democrats, 3 Communists, 2 Smallholders, 2 Conservatives, 2 Army Generals who were members of the first Armistice Commission to Moscow when the Horthy Government, in its last desperation, was negotiating for peace with the Red Army. It is interesting to note that of the two portfolios given the Smallholders Party, one was the all-important Ministry of Foreign Affairs while the portfolios of the Communists included the bases of economic reconstruction, trade, agriculture and communications.

5 A series of conferences and meetings held in January, 1946 among members of Hungary's leading political parties decided on the abolition of the Monarchy and on the establishment of a Hungarian Republic. These decisions were later endorsed by the new Hungarian National Assembly in its first parliamentary sessions. Cf. issues of the Hungarian daily, *Magyar Nemzet*, for January and February, 1946. Also John Haire, "Hungary Today," *New Statesman and Nation*, Nov. 10, 1945, pp. 314-315.

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642 niably contains all the elements inherent in a constitutional, republican, representative democracy. In the words of one writer, they "sound like the Bill of Rights and the Four Freedoms rolled into one,"[6] and include personal freedom, right to a life free from oppression, freedom from fear or want, free expression of thought and opinion, free exercise of religion, freedom of assembly and association, right to personal property, to personal security, to work, to a livelihood, to free education, and the right to participate in the life of the state and in local government.[7]

There are no *constitutional* impediments in Hungary to the "free and unfettered" practice of political democracy, although factual developments have seldom corresponded to legal documents. Governmental powers are satisfactorily outlined in the text of the laws and carefully separated from each other; the National Assembly possesses all legislative power, while executive authority rests with a cabinet of ministers responsible to the Assembly. The President, as head of the Republic, is elected for a four-year term and cannot be reelected successively. The President's official functions are carefully limited by law and include such powers as the appointment of a Prime Minister, confirmation of Cabinet members, and the appointment of diplomatic envoys. The President has the right of vetoing legislation passed by the Assembly, but if the same law is passed again, he is obliged to sign it. He can be impeached by the Assembly for violations of the law or of the constitution.

641 These broad constitutional outlines were subsequently limited by restrictive legislation. A governmental decree, published in June, 1946, provided that the right of supervising political associations shall be exercised by the Minister of the Interior.[8] Simultaneously a law on *The Defense of Hungarian Democracy* defined as criminal any incitement against the republican form of government, against a race or religion, against the equality of all citizens, and in general, any infringement of 687 specific civil liberties. This defense law has since served as the constitu- 727 tional basis for war criminal trials in Hungary. Its provisions were invoked in setting up the juridical procedure for the People's Courts and

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6 George A. Lanyi, "Hungary Aims at Liberty For All in Republic," *The Christian Science Monitor*, Feb. 5, 1946, pp. 1 and 6.

7 Cf. Public Law No. I, officially published on May 27, 1946, under the title of *Act on the Protection of Human Rights*; official translation by *Hungarian Legal News Service*, Budapest, Aug. 1, 1946.

8 Decree 7300/1946 M.E., published June 28, 1946, H.G. 144.

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105 Hungarian Empire had failed to bring about the establishment of a sound Danubian Federalism; instead, a veritable riot of competing national ir' rests had come into being.

669 Other sources of social disorder can be found in the events
175 which followed the close of the First World War. The fall of
727 the monarchy denuded the country of strong leadership. Democratic forces under the direction of intellectuals of integrity rallied to form a government; but many of them may not unfairly be said to have lacked experience in distinguishing between obtainable objectives and ideals beyond reach. Their government quickly succumbed to a bold experiment in Bolshevist tactics which was tried at the same time in Berlin and Bavaria. Under Béla Kun, an erstwhile insurance agent who had been a prisoner in Russia and was now the power behind the Hungarian scene, a program of ruthless repression and enforced socialization was inaugurated. Troops and police raided the opposition, and "revolutionary tribunals" imposed death sentences which, although they reached an acknowledged total of 585, were only a sample of what was to ensue twenty-five years later. However, Kun's endeavors fell short of success—in large measure because occupation troops, primarily French, were present and in control. That fact enabled a counterrevolutionary movement to get under way; and by 1920 its army, commanded by Admiral Nicholas Horthy, had
• [642] gained the upper hand. The Allies refused to permit the return of a Habsburg to the throne, and so a new government was formed as a Regency. It had to deal almost immediately with excesses by armed bands seeking revenge who, before they were curbed, tried and executed more than 300 persons. They were also virulently anti-Semitic, alleging that a disproportionately large number of Jews had been associated with Kun's regime.

000 As a result of the Regency's efforts to effect a measure of

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795 When in 1944 the defeat of Hitler was foreshadowed by
661 the reign of terror which found in the Jew its major victim,
793 the Papal Nuncio in Budapest issued countless "letters of protection" to Jews, enabling them to live in buildings which were the property of the Vatican and therefore entitled to diplomatic immunity. Nor did the Church itself escape paying a heavy price. Although Hungarians suffered less drastically than the Poles or Czechs at the hands of the Nazis many of their priests took the bitter road to Dachau. Others, including two bishops, were incarcerated in Hungarian prisons. During the winter of 1944 the Nazis executed the senior chaplain of the Hungarian Army. When defeat came the priests of Hungary did not flee. Only 12 out of more than 1,200 abandoned their rectories. Witness the death of William Apor, Bishop of Győr. Drunken Soviet soldiers entered his residence and tried to force their way into the cellar, where a number of women were hiding. The Bishop calmly met them face to face, in an effort to pacify them. He died in a fusillade of bullets, but the women were spared.

661 Yet this heroism was destined to earn no earthly reward.
642 After 1945 there ensued instead one of the heaviest-handed enslavements of a people, and one of the direst persecutions of the Christian faith, of which history has record. Though we shall be concerned with the second, let us not forget the first. For the Communist Party the sole important question was how quickly and completely the opposition could be liquidated, regardless of the means or the cost to the population. The Hungarian people struggled to elect a non-Communist government and, despite great difficulties, succeeded. The November, 1945, election resulted in the triumph of the "conservative" opposition. Even after Communist intrigue and machinations forced out of office the government thus chosen, the Communist Party was defeated in the election of August, 1947, obtaining less than 23 per cent of the vote.

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Nevertheless, with the help of the Russian Army and the Communist-infiltrated police force, all parties professing opposition to Communism were disbanded, the Independent People's Front was created, and it was announced that the People's Republic had been established. A single slate of candidates was presented to the voters in the election of May 15, 1948, and naturally the Communist candidates were chosen by an overwhelming majority.

We shall now review the developments which affected relations between Church and State and culminated in violent persecution.

The Catholic Church was a target first of all by reason of its material possessions. The Land Reform Law decreed during 1945 was drastic but could be defended in principle. It affected the holdings of wealthy owners and their buildings and livestock. Estates of more than a thousand acres were to be broken up completely. Owners of smaller properties were permitted to retain one hundred acres. However, the reform proved to be a poorly camouflaged prelude to the creation of collective farms—agricultural properties owned and exploited by the State. Communists, regardless of aptitude for farming or the validity of their claims, received virtually all the land which was redistributed. The State fared even better. By July 1, 1946, it was owner and manager of fully one-eighth of all the landed property in Hungary. None of the former owners received compensation. The new peasant proprietors were, it is true, compelled to make payments at regular intervals to amortize the cost of the land assigned to them. However, the moneys thus collected went into the State Treasury. By the beginning of 1948, the owners of one-hundred-acre estates, who had previously been affluent, were being pushed to the wall; for all farms larger than fifteen acres were taxed so heavily in grain and produce that it was utterly impossible